

**MINUTES OF THE SPECIAL MEETING OF BOARD OF TRUSTEES  
FOR RECLAMATION DISTRICT 1608  
HELD WEDNESDAY, MAY 30, 2017**

A Special Meeting of the Board of Trustees of Reclamation District 1608 was held Wednesday, May 30, 2017, at the law office of Neumiller & Beardslee, 509 W. Weber Avenue, 5<sup>th</sup> Floor, Stockton, California, at the hour of 2:30 p.m.

**TRUSTEES PRESENT WERE:**

MICHAEL PANZER  
DREW MEYERS

**OTHERS PRESENT WERE:**

DANIEL J. SCHROEDER  
ANDY PINASCO  
CHRISTOPHER NEUDECK  
JEAN KNIGHT  
DOMINECK GULLI

**ABSENT WERE:**

BRETT THOLBORN<sup>1</sup>  
JOE BRYSON

**Item 1. Public Comment.** None.

**Item 2. Sediment Removal Project.** Discuss and give direction. Chris Neudeck began the discussion and distributed a spreadsheet for the District entitled 2016-2026 Budget Worksheet. He had passed a similar document to Trustees and staff a while back but for this worksheet, he calculated the work to begin in fiscal year 2017-2018 instead of 2016-2017. He moved the budgeted \$452,800 work to start in 2018-2019 and the \$1,495,000 to 2019-2020. This work would include the sediment removal project up to Grupe Park and would include reimbursement for subventions work done on the levees. At the end of the 2025-2026 fiscal year, the District would still be left \$1,600,000 in reserves - \$600,000 in non-designated reserves and \$1,000,000 in designated reserves if the project was started with permitting work in 2018-2019 and physical work starting in 2019-2020. The District would need to issue registered warrants over a 4 year period and the District would be paid off in warrant debt by the next assessment. The balances are premised off the subventions program.

Mr. Neudeck reported that based on information given to him, it appears the levee subvention program will be extended to 2020. He said it's definitely not sunsetted at this point but is likely at least two more years from now. The current amendment to the program is proposed to keep it

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<sup>1</sup> Due to a conflict of interest issued by the California Attorney General, Trustee Tholborn cannot participate in discussions regarding the sediment removal project.

at 75/25 to 2020, and then see what happens. He said there is a dire need to keep levees up and thinks there will be some sort of a program in 15 years.

Mr. Neudeck said that there is some downside risk of not knowing where subventions program will be after 2020, but there is income there for the first two years. He noted that the depth of the dredging would go to -8 feet and would be considered maintenance dredging and in the end, it would require more maintenance as aquatic weed will grow. If the depth would go to -10 feet, a different process would need to take place and other permits would be required and those permits would be more difficult to obtain. Trustee Panzer asked if the District did go beyond Grupe Park, would it be doable and the response by Mr. Neudeck was that the District cannot afford to do this. He said it is a different levee at that point and much more open and the expense would be considerably higher.

Trustee Panzer also asked about the -8 feet and if there is aquatic weed growth, would there be a need for the District to pursue another sediment removal project? It was discussed that in 2025-2026, when the next assessment could occur there is likely going to be concern that around Grupe Park there could be enough sediment again and it could be that every ten years or so, another sediment removal project would be needed.

There was discussion regarding starting the project this next fiscal year instead of 2018-2019. If the District starts permitting this next year instead of 2018-2019 it could end up with \$200,000 more at the end. Other documents distributed at the meeting were a spreadsheet created by Trustee Meyers that has a nine-year projection and did not have all the line items of the engineer's report but did detail the beginning cash basis for each year (year ending 2017 to 2025), along with revenues and expenditures from the engineer's report and a detail of the cash basis fund balance ending of that year. He also detailed the work starting with 2017-2018 and continuing 2018-2019 with a cash basis fund balance of \$4,088,232 and a cost of the sediment removal of \$2,000,300, along with warrant expense costs. The third distributed sheet was the budget sheet for the 2017-2018 fiscal year, as it stands as of this date.

Dr. Panzer asked Dan Schroeder if he was seeing anything that hadn't been discussed. Attorney Schroeder thought with the timelines, the District would likely have time to work with the City of Stockton in finding a location for the spoils. The District would also need to work out a registered warrant agreement with a lender and there is the unknown factor of the levee subventions program. He also notes that if the District started in 2018 -2019, in the remaining 9 years there would be \$1,200,000 lost revenue - \$1,600,000 going down to \$400,000. Mr. Neudeck still thought there would be a positive cash flow for it to work out.

Trustee Panzer asked that in a form of giving direction now, what would need to occur? One way would be that for the next regular meeting, the amount for the sediment removal program could be listed as \$452,000 (see Staff report – number may change) as a 2017-2018 budget consideration. Since this meeting was only scheduled as a workshop, no action can be approved. The Trustees agreed with this idea and gave the green light for a revised budget consideration to occur at the June District meeting.

**Item 3. Staff Reports.** (a) Attorney. The Agenda for this meeting was posted on the window outside the meeting room at 509 West Weber Avenue, Stockton, California, at least twenty-four (24) hours preceding the meeting. Also Dan Schroeder will make a change to the proposed budget and Chris Neudeck will give him a revised number for the budget.

**Item 4. Adjournment.** The meeting was adjourned at 3:09 p.m.

Respectfully submitted,

Jean L. Knight  
District Secretary